**Office of the
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DISCUSSION PAPER NO. 13

THE AUDIT INTERVIEW:
FIVE QUESTIONS

BY

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FEBRUARY 1983

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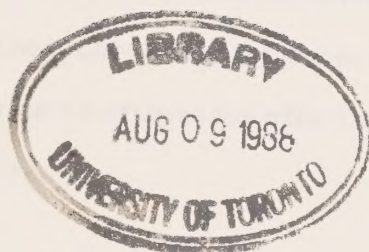
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The Audit Interview: Five Questions

Introduction

Auditors have traditionally relied on the interview to gather information. The advent of value-for-money auditing has resulted in an increased reliance on this form of interpersonal communication in the audit function.

Interviews with client organization personnel take place during each phase of the comprehensive audit. During the overview phase, the interview is used to gather information on the nature and activities of the client and the environment in which the client operates. In the survey phase, the interview is used as a means of identifying issues for further investigation. During execution, the interview serves as a means of gathering detailed information on those issues. In the reporting phase, the interview is used to confirm understanding and to discuss modifications and negotiate client responses to the report. The ability to conduct a successful interview increases the effectiveness of both the attest and the value-for-money auditor.

Successful interviews revolve around answering the following five questions:

- What outcome do I want from the interview?
- Who am I interviewing?
- Where am I interviewing?
- When am I interviewing?

● How can I best conduct the interview?

Answering the five questions provides assurance that you are entering the interview situation well prepared to achieve the desired outcome. This paper considers these questions after discussing the interview as a form of interpersonal communication.

The Interview

The interview, as a form of interpersonal communication, features two communicators engaging in oral communication. One of these communicators has a preconceived serious purpose (Table 1).

The fact that it takes place between two persons distinguishes the interview from other forms of interpersonal communication such as group discussion, in which a group of persons interacts, or public speaking, in which a speaker interacts with an audience.

The oral characteristic of the interview distinguishes it from written exchanges between two persons. The fact that only one of the people has a specific preconceived purpose distinguishes the interview from the debate, in which both parties have preconceived serious purposes, and social conversation, in which neither party has a preconceived serious purpose.

Table 1

Characteristics of Some
Social Communication Forms

	Dyadic	Oral	Preconceived Purpose
Interview	Yes	Yes	Yes
Social Conversation	Maybe	Yes	No
Group Discussion	No	Yes	Maybe
Debate	Maybe	Yes	No
Public Speech	No	Yes	Yes
Written Exchange	Maybe	No	Maybe

Roles in the Interview

Having a preconceived serious purpose distinguishes the interviewer from the interviewee. The auditor is usually the interviewer, as the interview is being held to further the purposes of the audit rather than those of the client organization.

The Interview Process

The interview is an interpersonal communication transaction. This implies a two-way flow of messages between the interviewer and interviewee. The speaker and listener functions are shared; the relative amount of "floor time" of the interviewer and interviewee varies with the purpose and phase of the actual interview. Addressing the following five questions will contribute to successful interviewing.

Five Questions That Contribute to Successful Interviewing

1. What Outcome Do I Want From the Interview?

This is the first key question for a successful interview. Do I want the interviewee to understand better the nature of comprehensive auditing and the audit activities that will be taking place? Do I want to gather information on the nature of the entity or the relationship of two management systems? Do I want to convince the interviewee that the report of the audit is reasonable and well

documented and that it is in the interest of his organization to accept it graciously as it stands?

The best operational definition of the purpose of the interview is a specification of the behavioural response you want from the interviewee as a result of the interview. This may be confirming that your message has been understood, providing requested information or documents, changing his or her attitude about the audit or actually implementing a change recommended as a result of audit work. Table 2 provides a description of the types of interview purposes commonly associated with phases of the value-for-money audit.

Defining the purpose of the interview in terms of desired behavioural outcome provides the auditor with a behavioural measure of the success of the interview. It also guides interview planning and often suggests a strategy to be used to advantage. Without such a definition of purpose the interviewer cannot be sure that he or she has successfully met the objective of the audit interview and may have to return for follow-up interviews. Return interviews would have financial and interpersonal costs both for the Office and the client. The next question relates to the interviewee.

Table 2

Interview Purpose and Audit Phase

Audit Phase	Common Interview Purpose
Planning	Information Giving Information Gathering
Implementation	Information Gathering
Reporting and Follow-up	Information Giving Persuasion

2.   Who Am I Interviewing?

Knowledge of the audience is central to effective communication behaviour; likewise, knowledge of the interviewee is central to achieving the outcome you desire from your interview. While you may rely on early moments of the interview to collect information about the interviewee, the more knowledge you have before the interview, the more successful your interview will likely prove.

Information about the interviewee may be of an social or personal nature. Such information allows you to establish a positive relationship and build your interview on shared experience, knowledge and interests; successful communication is built on such communality.

Factors of a social nature include age, sex, occupational level and responsibility, social club and association memberships, education and religion. Factors of a personal nature include interests, sports activities and hobbies, as well as psychological patterns such as attitudes, beliefs, values, and opinions and related factors. Personal factors also include the interviewee's knowledge about and attitudes toward the content area of the interview, toward yourself as an auditor and toward the Office.

Mention of common interest in jogging or rowing can break the ice in the early stage of the interview or serve as an amicable basis for terminating the interview. Shared interest in stamp collecting or shared membership in the Rotary Club can also serve to establish that initial rapport and motivation on

which a successful interview is based. If you know that the interviewee has a negative attitude toward the topic to be discussed or toward auditors, you could address this barrier to effective communication at an early stage of the interview.

Knowledge of this kind can come from informal chats with the liaison person for the audit and informal social interaction with departmental personnel. The client organization will often provide profiles of more senior personnel. Knowledge of the interviewee's social and personal makeup will also allow you to structure the interview in such a way as to build on common interests and reduce perceived differences.

3. Where Am I Interviewing?

The third question to ask for successful interviewing is: where is the interview being conducted? Audit interviews are usually conducted on the client's premises. Such interviews are physically and psychologically within the territory of the interviewee -- an environment in which the interviewee probably feels comfortable.

You should try to ensure an equal status seating arrangement with the interviewee. Sitting at a round table meets this criterion as does sitting around a coffee table. An insecure interviewee may attempt to hide behind the desk and put the interviewer in a lower status position in front of the desk. Alternative neutral equal status locations include the lounge or coffee shop. Having a coffee

during the interview can help to create an appropriate interpersonal environment. The timing of the interview is also significant.

4. When Am I Interviewing?

The time of day, the time of the week and the time of year should be considered in the interview strategy. Interviews held early in the morning or late in the afternoon may prove less successful than those held during mid-day. Early Monday morning or late Friday afternoon may prove more difficult than other times, and interviews the day before long holidays such as Christmas or Easter may be even more of a challenge.

Similarly, interviews that run for extended periods of time may cause fatigue, resentment and reduction of co-operation. Ideally, interviews should range between 30 minutes and an hour. Establishing the purpose of the interview, the nature of the client and the optimal place and time allows you to develop a strategy to accomplish your objective.

5. How Can I Best Conduct The Interview?

The question of how to conduct the interview is perhaps the most important of the five questions. In responding to this question, you will develop a strategy to achieve the purpose or objective of the interview in light of the answers to previous questions on the purpose, interviewee profile, location and time of the interview. The answer to the question has two components. First,

you should plan and organize the interview and second, you should be prepared to control it.

Table 3

Interview Organization by Purpose

To Give Information	To Gather Information	To Persuade
Introduction	Introduction	Introduction
Introduce	Introduce	Introduce
Orient	Orient	Orient
Motivate	Motivate	Motivate
Preview	Preview	Preview
Thesis	Need Statement	Need Statement
Body	funnel	
topical	inverted funnel	Satisfaction
logical	broad pipeline	
temporal	narrow pipeline	Visualization
spatial		
Conclusion	Conclusion	Action
Summary	Summary	
Extro	Extro	

Planning the Interview

The organization of any communications event underlies its effectiveness. The interview, like other communications events, has a beginning, middle and end (see Table 3). Your behaviour as an interviewer should serve to lead the interviewee through the three stages.

The introduction. The introductory phase of the interview should serve to establish a positive interpersonal climate and prepare the interviewee for the task-oriented questions to follow. You will introduce yourself and then you may describe the purpose of the interview, define the desired outcome, orient the interviewee toward the Office, the audit and the audit project and motivate him or her to provide the co-operation desired. The beginning of the interview usually features some social ice breaking, emphasizing some aspect of social or personal communality. This serves to create an environment conducive to achieving your purpose.

Implementation of the interview. The implementation phase of the interview provides an opportunity to accomplish your purpose -- to persuade, to inform or to gather information -- this is the task-oriented phase of the interview. This phase can be structured in various ways depending on your objective.

The information-giving interview implementation phase may assume several forms built around a core idea:

- a topical ordering of information, that is by subject matter;

- a logical ordering of information using:

    - a cause-effect presentation,

    - a deductive presentation, structuring material from general to specific, or

    - an inductive presentation, structuring material from specific to general;

- a temporal ordering, proceeding from past to future; or

- a spatial ordering, proceeding geographically.

Each of these formats serves to expand the core idea you wish the interviewee to understand.

The information-gathering interview may reflect any one of four interview approaches which allow the interviewee varying amounts of discretion in structuring his or her answer.

An open interview allows the interviewee a wide range of alternatives for response and is characterized by open-ended questions such as "Tell me what you think about ...". A closed interview provides the interviewee with a limited

range of responses and could be characterized by questions such as "Did you or did you not commit fraud?"

You may use an open information-gathering interview format during the planning phases of an audit because you need a wide perspective on the issues associated with the client organization. You may choose to use a closed information-gathering interview format if you are testing a financial reporting system for compliance with central agency policy guidelines.

A combination of open and closed structures can be used in any one interview. You may begin the interview with open-ended questions and move toward closed-ended questions; this is called the "funnel" approach. Alternatively you may initiate the interview with closed-ended questions and move toward open-ended questions; this is called the "inverted funnel" approach.

You may choose to use the funnel approach if an interviewee is evasive in responding to questions; the funnel approach gradually narrows the interviewee's range of possible responses. You may choose to use the inverted funnel approach if the interviewee is providing responses such as "yes" and "no" which are so narrow as to be of little value to the study.

The persuasive interview is often used when the Office is trying to convince departmental representatives to act on our recommendations. The need statement for a persuasive interview establishes in the mind of the interviewee that there is a need or a problem. Besides creating the perception of the need, the interviewer also makes clear to the interviewee the implications of such a

need or problem and the necessity for satisfying the need or solving the problem. Such a need might be a deficiency in controls over financial systems.

The next step in the persuasive interview provides ideas for satisfying the need. Satisfaction might be a series of procedures which would improve financial controls. The visualization phase of the interview essentially provides the interviewee with a picture of the state of affairs when the need is satisfied or the problem is solved. A description of high quality financial information, additional support for departmental requests for funds and good relations with central agencies are some of the advantages that could be discussed during the visualization stage. Describing these benefits sets the stage for the action step. The action step outlines the behaviour the interviewee could adopt to satisfy the need and achieve the desired state of affairs. This type of interview is most successful if it achieves a commitment that the recommended action will be taken; this can be confirmed by the auditor at a later time.

The conclusion. At the conclusion of an interview you can summarize the interview and terminate the communication process on a positive note. One tactic for ending an interview is to revert back to the topic of common interest that served as an icebreaker at the beginning. You would probably want to explain what the interviewee may expect during later stages of the audit.

Control of the Interview

The second part of the answer to the question, "How shall I conduct the Interview?" relates to control. Control of the interview is also important to

the accomplishment of your purpose. As interviewer, the auditor has a

preconceived serious purpose. However, the interviewee may also have a pre-

conceived serious purpose such as leading the auditor away from some sensitive

issue, convincing the auditor that the organization is overworked and understaffed

or that the interviewee's branch is one of the most active, progressive and best

managed in the government. The interviewee may attempt to control the

interview by reversing the roles; that is, asking the questions and placing the

auditor in an interviewee role. Effective use of topic transitions and direct

questions can serve to turn the interview back on course so as to accomplish the

audit purpose.